

Persimmon Homes (South East) Limited

**Directors' report and financial
statements**

Registered number 2044246

31 December 2003



Contents

Directors' report	1
Statement of directors' responsibilities	4
Balance sheet	5
Notes	6

Directors' report

The directors present their annual report and financial statements for the year ended 31 December 2003.

Principal activities

The company's principal activity is that of residential building and development.

The company did not trade in the year ended 31 December 2003.

Dividends

The directors do not propose the payment of a dividend.

Directors and directors' interests

The directors who held office during the year and to the date of this report were as follows:

D G Bryant	(Chairman)
J White	
EF Owens	(resigned 31 December 2003)
MP Farley	
PJ Cook	(resigned 31 December 2003)
MH Killoran	
NJ Pendlebury	(resigned 31 December 2003)
CP Walker	(resigned 16 December 2003)
GN Francis	

None of the directors has an interest in the shares of the company.

Directors' report *(continued)*

Directors and directors' interests *(continued)*

GN Francis, PJ Cook, EF Owens, NJ Pendlebury and CP Walker had the following interests in the ordinary shares of 10p each in the ultimate parent company, Persimmon plc, as recorded in the register of directors' share and debenture interests:

	Interest at 31 December 2003 or at date of resignation	Number of shares			Interest at 31 December 2002
<i>Ordinary shares</i>					
GN Francis	5,282				3,922
PJ Cook	3,427				-
EF Owens	7,345				1
NJ Pendlebury	1,359				217
CP Walker	-				-
		Number of options during the year			
		Exercised	Granted	Lapsed	
<i>Share options</i>					
GN Francis	35,500	(5,000)	3,500	-	37,000
PJ Cook	31,250	-	1,250	-	30,000
EF Owens	27,000	(10,000)	2,000	-	35,000
NJ Pendlebury	27,000	-	2,000	-	25,000
CP Walker	26,250	-	1,250	-	25,000
<i>SAYE share options</i>					
GN Francis	3,813	-	-	-	3,813
PJ Cook	2,794	(3,427)	1,269	-	4,952
EF Owens	1,496	(2,284)	423	-	3,357
NJ Pendlebury	1,342	(1,142)	-	-	2,484
CP Walker	1,948	-	423	-	1,525

Options are exercisable from April 2004 to March 2012 at prices ranging from 306.0p to 537.5p.

The interests of DG Bryant, J White, MP Farley and MH Killoran are disclosed in the directors' report of the ultimate parent company.

Directors' report *(continued)*

Auditors

The company has elected to dispense with the laying of accounts before the company in general meeting, with holding an annual general meeting and under Section 250 of the Companies Act 1985 to dispense with the requirement to appoint auditors.

By order of the board



TL Davison
Secretary

Persimmon House
Fulford
YORK
YO19 4FE

30 April 2004

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors confirm that:

- suitable accounting policies have been selected and then applied consistently;
- judgements and estimates have been made that are reasonable and prudent;
- applicable accounting standards have been followed; and
- the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Balance sheet
at 31 December 2003

	<i>Note</i>	2003 £000	2002 £000
Current assets			
Debtors	4	74,906	74,906
		<hr/>	<hr/>
Creditors due within one year	5	74,906 (74,906)	74,906 (74,906)
		<hr/>	<hr/>
Net assets		-	-
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account		-	-
		<hr/>	<hr/>
Equity shareholders' funds		-	-
		<hr/>	<hr/>

The company was a dormant company within the meaning of Section 250 of the Companies Act 1985 throughout the accounting year ended at the date of this balance sheet.

For the year ended 31 December 2003 the company was entitled to exemption under section 249 AA(1) of the Companies Act 1985.

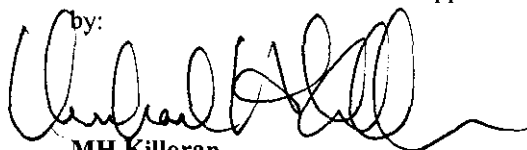
No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for :

- Ensuring the company keeps accounting records which comply with section 221;
- Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

These financial statements were approved by the board of directors on 30 April 2004 and were signed on its behalf

by:



MH Killoran
Director

Notes

(forming part of the financial statements)

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below:

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

The financial statements have been prepared on a going concern basis which assumes that the company will continue to trade, as the parent company Persimmon plc has indicated that it intends to provide such funds as are necessary for the company to continue to trade for the foreseeable future.

The company is exempt from the requirement of Financial Reporting Standard 1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Persimmon plc, and its cash flows are included within the consolidated cash flow statement of that company.

2 Remuneration of directors

None of the directors received any remuneration in relation to their services to the company.

3 Staff numbers and costs

The average monthly number of persons employed by the company (including directors) during the year was nil (2002: nil).

4 Debtors

	2003 £000	2002 £000
Amounts owed by group undertakings	74,906	74,906

5 Creditors due within one year

	2003 £000	2002 £000
Amounts owed to group undertakings	74,906	74,906

Notes (continued)

6 Called up share capital

	2003 £	2002 £
<i>Authorised</i>		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	2	2
	<hr/>	<hr/>

7 Contingent liabilities

The company has given an unlimited cross guarantee in respect of the bank overdrafts of certain other group companies. At 31 December 2003 the overdrafts amounted to £111,201,000 (2002: £124,823,000).

The company together with fellow subsidiaries has guaranteed bank loans made to Persimmon plc; the amount outstanding at the year end was £100,319,000 (2002: £108,212,000).

The company has entered into certain licence agreements with third parties, which give it the right to build and sell houses on land owned by the third party. Upon legal completion the house purchaser makes a land payment to the third party and the balance of the sales proceeds is paid to the company. In some instances, the company may guarantee minimum aggregate land payments at appropriate dates. If it becomes necessary to make advance payments to the licensor, amounts paid are included as prepayments in the balance sheet and are subsequently recovered on the sale of the properties.

8 Related party disclosures

The company is controlled by Persimmon plc, its ultimate parent company.

9 Ultimate parent company

The company is a wholly owned subsidiary undertaking of Persimmon Holdings Limited.

The largest group in which the results of the company are consolidated is that headed by Persimmon plc.

The consolidated financial statements of Persimmon plc are available to the public and may be obtained from:

The Company Secretary
 Persimmon plc
 Persimmon House
 Fulford
 YORK
 YO19 4FE